

CITY OF SAINT PETER, MINNESOTA

RESOLUTION NO. 2004 - 49

STATE OF MINNESOTA)
COUNTY OF NICOLLET)
CITY OF SAINT PETER)

**RESOLUTION ESTABLISHING BUSINESS SUBSIDY CRITERIA FOR THE PROVISION OF JOB
OPPORTUNITY BUILDING ZONE BENEFITS**

WHEREAS the City of Saint Peter, Minnesota, as part of the Southern MN JOBZ Alliance Job Zone has received designation as a Job Opportunity Building Zone (JOBZ) Subzone from the Minnesota Department of Employment and Economic Development; and

WHEREAS, it is necessary and appropriate to develop policies regarding the provision of benefits provided to qualified businesses located within the JOBZ subzone within the city; and

WHEREAS, it is necessary and appropriate to develop criteria to be met by qualified businesses located within the JOBZ subzone prior to the provision of an allowable benefits of the program; and

WHEREAS, the City on March 22, 2004, after having published notice of public hearing in the official newspaper, conducted a public hearing on the JOBZ Business Subsidy Policy and Criteria and received public comments on the same.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAINT PETER, NICOLLET COUNTY, MINNESOTA, THAT:

1. The following Job Opportunity Building Zone (JOBZ) Business Subsidy Policy and Criteria are hereby adopted:

**JOB OPPORTUNITY BUILDING ZONE (JOBZ)
BUSINESS SUBSIDY POLICY AND CRITERIA**

Preamble. Whenever the City of Saint Peter invests public funds or agrees to voluntarily forfeit tax or other revenue that benefit private development projects within a Job Opportunity Building Zone, those projects should create the greatest number of living wage jobs possible for the residents of the City of Saint Peter and the surrounding region.

Business Subsidy Public Purpose. The public purposes of this policy shall be to accomplish the following on behalf of the City of Saint Peter:

1. Enhance economic growth in this area
2. Create high quality job growth in this area
3. Retain high quality jobs in this area
4. Stabilize the community

This policy is adopted in compliance with M.S. § 116J.994 Subd. 2. A copy of the policy shall be submitted to the Department of Employment and Economic Development along with the first annual Business Subsidy report.

Business Subsidy Implementation. The City of Saint Peter will focus its business subsidy assistance to businesses which demonstrate a clear and ongoing commitment to the community by providing living wage jobs to their employees.

The City of Saint Peter will focus its business subsidy assistance only to businesses which agree to comply with annual business subsidy reporting requirements as required by Job Opportunity Building Zone (JOBZ) statute M.S. §§ 460.310 - 460.320; and/or as required by the Business Subsidy statute M.S. §§ 116J.993 - 116J.995.

Although the primary purpose of this policy is the creation of living wage jobs, we cannot achieve our economic development goals without a trained and ready workforce. The city will commit to assist businesses to obtain trained and work-ready employees through the DEED Workforce Development Centers, MNSCU and other services.

1. DEFINITIONS

"Authorized Business Subsidy Signatory" means the Mayor of the City of Saint Peter who is authorized by this Policy to execute business subsidy agreements on behalf of the City of Saint Peter.

"JOBZ Business Subsidy" means tax exemptions or tax credits available to a qualified business located in a job zone under the Job Opportunity Building Zone (JOBZ) statute M.S. §§ 460.310 - 460.320.

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"Business Subsidy Report" means the annual report submitted by the local governmental unit required to comply with M.S. § 116J.994 Subd. 7. (b).

"Criteria" means the equitably applied, uniform standards by which the Economic Development Agency and for the City bases its decision to award any JOBZ business subsidy to a private business or development project establishing a business and creating jobs in the city.

"DEED" means Minnesota Department of Employment and Economic Development.

"Economic Development Agent" means the city department, local or regional economic development agency or other authorized entity that is empowered to solicit, negotiate and form business subsidy agreements on behalf of the City of Saint Peter. The Economic Development Agent for the City of Saint Peter shall be the Saint Peter Economic Development Authority hereinafter "Agent".

"Living Wage Job" shall mean a job which pays wages and health benefits that total at least the rate of 110% of the current poverty level for a family of four.

"Local Governmental Unit" hereinafter LGU, means the City of Saint Peter, Minnesota;

"Qualified Business" means a person that carries on a trade or business at a place of business located within a Job Opportunity Building Zone as referenced in M.S. § 469.310 Subd. 11; and complies with the reporting requirements specified by M.S. § 469.313 Subd. 2. (5); and shall comply with the criteria in Section II.C. of this agreement; and shall also mean "Recipient" as defined by Business Subsidy law. A qualified business shall not include a retail business, a low-wage service business, an agricultural production business, or a business that pays less than the living wage defined in this agreement.

"Recipient" means any business entity that receives a business subsidy as defined by M.S. § 116J.993, and that has signed a Business Subsidy Agreement with a city.

"Relocating Business" A business relocating from another Minnesota non-JOB Zone location.

"Relocation Agreement" means a binding written agreement between a relocating qualified business and the commissioner of DEED pledging that the qualified business will either: (a) increase full time equivalent employment in the first full year of operation within the job opportunity building zone by at least 20 percent, or (b) make a capital investment on the property equivalent to 10% of the gross revenues of operation that was relocated in the immediately preceding taxable year, and provides for repayment of all tax benefits if the requirements of (a) or (b) are not met.

"Subzone" means the parcel or parcels of land designated by the Commissioner of Employment and Economic Development within a Job Opportunity Building Zone within the boundaries of the City of Saint Peter to receive certain tax credits and exemptions specified under M.S. § 469.310-469.320.

"Zone" means a Job Opportunity Building Zone designated by the commissioner of Employment and Economic Development under M.S. § 469.314.

II. BUSINESS SUBSIDY REQUIREMENTS

- A. Any time the City of Saint Peter provides a business subsidy to a Qualified Business or Recipient, that business is subject to the wage goals, job goals and other criteria set forth in this policy. In the event of a conflict between the requirements of the Business Subsidy statute M.S. §§ 116J.993 - 116J.995 and the JOBZ statute M.S. §§ 469.310 - 469.320, the JOBZ statute shall control.
- B. The qualified business must create and retain for the period of the JobZone duration or until December 31, 2013, whichever is shorter, at least 24 living wage jobs. Those jobs shall be created not later than three years from the date that the JOBZ Business Subsidy Agreement is executed between the City of Saint Peter and qualified business.
- C. The City of Saint Peter may deviate from wage and job criteria in Section II. By documenting the reason in writing for the deviation and attaching a copy of this reason to the next annual Business Subsidy Report submitted to DEED.
- D. The City of Saint Peter shall require all businesses receiving a business subsidy to comply with the following:
 1. Attend a properly noticed public hearing that shall be held by the City of Saint Peter as provided by M.S. § 116J.994. The purpose of the hearing shall be to identify and define the criteria that the qualified business or recipient will meet in order to be eligible to receive a business subsidy or become a qualified business for purposes of the JOBZ statute. The hearing shall specify the subsidy provided, public purpose(s) that shall be achieved by offering the subsidy, and shall specify the measurable, specific, and tangible goals committed to by the qualified business. As provided by M.S. 116J.994, Subd. 6., a public notice shall be published in print and if possible, on the internet, at least 10 days prior to the hearing, identifying the location, date time and place of the hearing; and providing information about the business subsidy proposed, including a summary of the terms of the subsidy.
 2. If the business is qualified to receive JOBZ tax benefits, that business shall agree to continue operations in the jurisdiction where the subsidy is used (the subzone) for the duration of the job zone term.
 3. If the qualified business or recipient is a relocating business under the definition in this agreement, the business shall be required to enter into a binding written "Relocation

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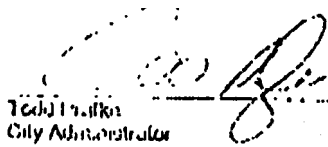
Agreement" between the qualified business and the commissioner of DEED pledging that the qualified relocating business will either:

- (a) increase full-time equivalent employment in the first full year of operation within the job opportunity building zone by at least 20 percent, or
- (b) make a capital investment on the property equivalent to 10% of the gross revenues of operation that was relocated in the immediately preceding taxable year, and provides for repayment of all tax benefits if the requirements of (a) or (b) are not met.

Adopted by the City Council of the City of Saint Peter, Nicollet County, Minnesota this 22nd day of March, 2004


Jerry K. Hawbak
Mayor

ATTEST


Ted J. Malkin
City Administrator

CITY OF SAINT PETER BUSINESS SUBSIDY CRITERIA

This criteria is established to meet the requirements of Minnesota Statutes 116J.993 through 116J.995 which regulate business subsidy agreements signed on or after August 1, 1999.

1. **Recognition of Needs:**

The City of Saint Peter recognizes the need to stimulate private sector investment in facilities and equipment in order to create and retain jobs, maintain competitiveness, boost productivity, and upgrade, renovate, or expand facilities. In order to stimulate private sector investment, the City of Saint Peter may provide business subsidies in the form of loans, loan guarantees, grants, property, infrastructure, utilities, tax abatement, and/or tax increment financing.

2. **State Requirements:**

Minnesota Statutes 116J.993 through 116J.995 require that the local unit of government enter into a subsidy agreement for any assistance that exceeds \$25,000.00. Said agreement shall include:

1. A description of the subsidy.
2. A statement of public purposes for the subsidy (other than the creation of tax base).
3. Goals for the subsidy including specific wage and job creation goals to be achieved within two years of the benefit date.
4. A description of the financial obligation of the subsidy recipient if goals are not met.
5. A statement of why the subsidy is needed.
6. The name and address of the parent corporation of entity receiving subsidy.
7. A list of all financial assistance by all grantors for the project.

3. **Public Hearing Requirement:**

Before granting a business subsidy that exceeds \$100,000.00, the City must provide public notice and hold a hearing on the subsidy unless a hearing and notice on the subsidy is otherwise required by law.

4. **Remedies for Default:**

In the event that a recipient does not meet its obligation under the Subsidy Agreement, at a minimum the recipient must pay back the assistance plus interest, although repayment may be prorated to reflect partial fulfillment of goals.

5. **Criteria for Subsidies:**

Projects proposed by businesses requesting subsidies shall be evaluated on the following criteria:

1. Job Creation/Retention
2. Wage/Salary/Benefits/Total Payroll
3. Creation of Tax Base

4. Needed Service in Community
5. Enhancement to Productivity/Competitiveness
6. Leverage of other Sources of Financing
7. Equity Contribution

6. Miscellaneous Requirements:

1. The Subsidy Agreement will contain requirements for the provision of monitoring information, i.e., annual job, wage, and benefit figures, as well as any evidence necessary to verify goals included in the Subsidy Agreement.

CITY OF SAINT PETER, MINNESOTA

RESOLUTION NO. 1999 - 296

STATE OF MINNESOTA)
COUNTY OF NICOLLET)
CITY OF SAINT PETER)

RESOLUTION ADOPTING CRITERIA TO MEET THE REQUIREMENTS OF MINNESOTA STATUTES
116J.003 THROUGH 116J.005 THAT REGULATES BUSINESS SUBSIDIES

WHEREAS, the Saint Peter Economic Development Authority (the "EDA") and the City of Saint Peter (the "City") are interested in supporting and promoting commercial, industrial, and housing development opportunities; and

WHEREAS, the 1999 Minnesota Legislature enacted a new law regulating business subsidies awarded on or after August 1, 1999; and

WHEREAS, in order to comply with the new law the EDA must hold a public hearing to discuss the criteria for providing business subsidies; and

WHEREAS, on September 17, 1999 the EDA held a public hearing to discuss the proposed criteria for the provision of business subsidies; and

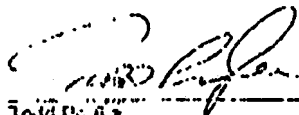
WHEREAS, the EDA has recommended the adoption of criteria regarding the provision of business subsidies

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAINT PETER, NICOLLET COUNTY, MINNESOTA, THAT: the criteria developed by the Economic Development Authority for provision of business subsidies is hereby adopted.

Adopted by the City Council of the City of Saint Peter, Nicollet County, Minnesota, this 27th day of September, 1999.


Jerry K. Hawbaker
Mayor

ATTEST:


Todd P. Kelly
City Administrator